

## **McCrery, W&M Staff Meet With Manzullo**

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While House Ways and Means Committee Chair William M. Thomas, R-Calif., revises his corporate tax cut bill (H.R. 2896) to try to ensure House passage, Ways and Means Committee staff and one committee member have been meeting with House Small Business Committee Chair Donald A. Manzullo, R-Ill., to discuss the bill.

According to Rich Carter, Manzullo's spokesman, House taxwriter Jim McCrery, R-La., "representing" Thomas, met with Manzullo May 20. And Small Business Committee staff have met with Ways and Means Committee staff four times in the past three weeks to discuss the bill's current mix of corporate tax breaks that Thomas proposes to replace the FSC Repeal and Extraterritorial Income Exclusion Act of 2000 (ETI Act). Manzullo and his group of more than 20 Republicans are a critical voting bloc for Thomas. The group members favor tax cuts for domestic manufacturers instead of U.S. multinationals and have remained steadfast in opposing some of Thomas's international tax changes, including those that would affect the foreign tax credit and subpart F and that would treat the European Union as one country. Thomas had hoped that the Senate's May 11 approval of ETI Act repeal legislation (S. 1637) would provide the momentum to move his bill through the House. Thomas suggested that strong Senate votes to reject amendments to strip out the international provisions in S. 1637 sent a message that international reform was a crucial component of ETI Act repeal. He has been meeting with House GOP taxwriters often since May 12 to rework H.R. 2896. According to Christin Tinsworth, a Ways and Means spokeswoman, the Manzullo staff "reached out" and asked to meet with the Ways and Means Committee. Manzullo has been meeting since last fall with House leadership and has had informal discussions with Thomas, according to Carter, who called the May 20 meeting with McCrery the first "official" meeting with a House taxwriter. Carter would not discuss details of the discussions. "From our perspective we are encouraged by the dialogue [with the Ways and Means Committee] and are committed to passing a bill as soon as possible that would create jobs in America," Carter said. Calls to McCrery's office were not returned. Some House GOP leaders have said a revised bill could be on the floor before lawmakers leave Washington for a weeklong congressional recess set to begin on June 28. The House is then slated to recess for the summer district work period from July 26 through September 3. Should action on final ETI Act repeal legislation slip past the summer district work period -- and into the homestretch for the November 2 elections -- sanctions imposed on U.S. exports will increase 4 percentage points over the current level. The tariffs -- a result of the World Trade Organization's decision that the ETI Act constituted an illegal export subsidy -- are scheduled to increase by 1 percentage point every month unless ETI Act repeal legislation is enacted.